

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

May 23, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.:08OD-075

(Oahu)

Sale of Lease at Public Auction for Intensive Agriculture
Purposes, Waimanalo, Koolaupoko, Oahu, TMK:(1)4-1-010:46

REQUEST:

Sale of lease at public auction for intensive agriculture
purposes.

LEGAL REFERENCE:

Sections 171-14, -14.5, -16, -17 and other applicable sections of
Chapter 171, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Waimanalo,
Koolaupoko, Oahu, identified by Tax Map Key:(1)4-1-010:46, as
shown on the attached map labeled Exhibit A.

AREA:

5.137 acres, more or less, subject to confirmation by the
Department of Accounting and General Services, Survey Division.

ZONING:

State Land Use District: Agriculture
County of Honolulu CZO: AG-2

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO X_____

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Intensive agriculture purposes

LEASE TERM:

Thirty (30) years

COMMENCEMENT DATE:

The date of sale provided that if such date is not on the first day of any month, the commencement date shall be the first day of the month following such date; and further provided that the Chairperson may amend the commencement date for good cause.

MINIMUM UPSET ANNUAL RENT:

To be determined by staff or independent appraisal establishing fair market rent, subject to review and approval by the Chairperson.

METHOD OF PAYMENT:

Semi-annual payments, in advance.

RENTAL REOPENINGS:

At the 10th and 20th years of the lease term, by independent appraisal.

PERFORMANCE BOND:

Twice the annual rental amount.

PROPERTY CHARACTERISTICS:

Utilities -	Utilities are available to the subject site, including water, electricity, telephone, but no sewer.
Slope -	1 to 8%. Most of the site is fairly level.
Elevation -	Elevation of approx. 140 to 150 feet above sea level.
Rainfall -	63.7 inches per annum.
SCS Soil Series -	Pohahupu silty clay loam (PkB) traditionally used for pasture and truck crops.
Land Study Bureau -	B56i has a productivity rating of "a" for forage, grazing and orchard crops and "b" for pineapple, vegetable and sugarcane.
Legal access to property -	Staff has verified that there is legal

access to the property off of Waikupanaha Street.

Subdivision - Staff has verified that the subject property to be auctioned is a legally subdivided lot.

Encumbrances - Staff has verified that there are no encumbrances on the property.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1 that states "Operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features, involving negligible or no expansion or change of use beyond that previously existing."

REMARKS:

The subject property was previously encumbered under General Lease No. S-3762 to Clyde Miyamoto and Tom Nago, that commenced on February 2, 1964 and expired on February 1, 2008.

The location of the subject site is zoned agricultural by County zoning, agriculture remains the predominant land use among other properties in the area and a new lease for that purpose would appear appropriate.

A site inspection conducted on February 1, 2008 reveals that there is a dwelling structure located on the property, which was left by the previous Lessee in a satisfactory condition. The prior lease does allow for an employee dwelling on the premises.

Comments were solicited from various State and County agencies. The Division of Engineering, the Commission of Water Resource Management, Department of Agriculture, Department of Hawaiian Home Lands, the City and County of Honolulu, Department of Planning and Permitting, Department of Facility Maintenance and the Board of Water Supply all expressed no objections to the public auction.

The Office of Hawaiian Affairs stated they had no objections to the subject property being placed for public auction, but being that the property is considered ceded lands, OHA is supposed to receive a portion of all revenues generated from the property. There are no other pertinent issues or concerns.

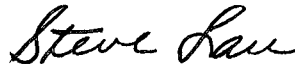
There are strong demands for agriculture leases in Waimanalo. Staff receives inquiries regularly as to the availability of the next public auction of agriculture leases.

Staff is recommending that the Board declare its intent to continue the parcel's agricultural use and issue a new lease at public auction.

RECOMMENDATION: That the Board:

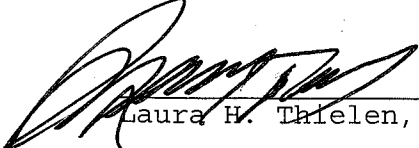
1. Find the area to be an economic unit in terms of the intended use.
2. Find that the subject area is not suitable for hunting, nor will it become so during the term of the lease.
3. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
4. Authorize the sale of a lease at public auction covering the subject area for intensive agriculture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current intensive agriculture general lease form, as may be amended from time to time;
 - b. Within the first three years of the lease term, the land under lease shall be utilized for the purposes for which the lease is sold, all in accordance with a conservation plan approved by the Chairperson;
 - c. Employee dwelling shall be allowed on the premises. The Lessee shall not place or construct any other dwelling unit in excess of one employee dwelling unit on the premises;
 - d. Review and approval by the Department of the Attorney General; and
 - e. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Steve Lau
Land Agent

APPROVED FOR SUBMITTAL:



Laura H. Thielen, Chairperson



